

HOUSE BILL 569

By Powers

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 56; Title 63 and Title 71, relative to direct and
indirect remuneration involving pharmacy costs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding
the following as a new part 35:

56-7-3501.

(a) As used in this part:

(1) "Covered entity" has the same meaning as defined in § 56-7-3102;

(2) "Pharmacist" and "pharmacy" have the same meanings as defined in
§ 63-10-204; and

(3) "Pharmacy benefits manager" or "PBM" has the same meaning as
defined in § 56-7-3102.

(b) A covered entity or a pharmacy benefits manager shall not directly or
indirectly charge or hold a pharmacist or pharmacy responsible for any fee related to a
claim:

(1) That is not apparent at the time of claim processing;

(2) That is not reported on the remittance advice of an adjudicated claim;

or

(3) After the initial claim is adjudicated, except in the case of § 56-7-
3103.

56-7-3502.

(a) To conduct business in this state, a PBM or auditing entity must register with the department of commerce and insurance. The department shall promulgate rules to implement this section and shall make an application form available that shall require, at a minimum:

(1) The identity, address, contact information, and telephone number of the applicant;

(2) The name, business address, and telephone number of the contact person for the applicant;

(3) When applicable, the federal employer identification number for the applicant; and

(4) Additional information as the department may reasonably require.

(b)

(1) The registration shall be valid for a period of two (2) years from the date of issuance.

(2) The department shall set an initial application fee and a renewal application fee, which shall be submitted with an application for registration. An initial application fee shall be non-refundable. A renewal application fee shall be returned if the renewal of the registration is not granted.

(3) The amount of the initial application fee and renewal application fee shall be sufficient to fund the department's duties in relation to its responsibilities under this part.

(c)

(1) The department shall issue a registration, as appropriate, to an applicant when the department determines that the applicant has submitted a complete application and paid the required registration fee.

(2) The registration may be in paper or electronic form, shall be non-transferable, and shall prominently list the expiration date of the registration.

(d)

(1) A licensed insurer or a managed care organization with a certificate of authority shall comply with the standards and procedures of this part, but shall not be required to separately register as either a PBM or an auditing entity.

(2) A PBM that is registered under this part shall comply with the standards and procedures of this part, but shall not be required to register separately as an auditing entity.

56-7-3503.

The commissioner of commerce and insurance is authorized to promulgate rules to effectuate the purposes of this part. All rules shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. For rule making purposes, this act shall take effect upon becoming law.

For all other purposes, this act shall take effect July 1, 2017, the public welfare requiring it.